

289

CIACO NID 81 [REDACTED]

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POLAND: Delayed Price Increases

The government has delayed implementation of increased bread prices, largely in response to objections by Solidarity. [REDACTED]

The regime had planned to carry out the projected 129-percent price increase on Monday but failed to get Solidarity's complete agreement to a scheme for compensating consumers. Following a meeting with a Solidarity representative, the head of the state price commission went on Polish television yesterday to say the new price hikes were not completely set because Solidarity had not agreed to them. He implied that further talks with Solidarity would take place next week. [REDACTED]

The union apparently has raised other objections which it will discuss at the talks. The government wants to inaugurate the price hikes on 31 August, but negotiations with the union could easily cause more delay. [REDACTED]

Although the proposed increase will have little impact on the average Pole's standard of living, it is an important political step for the government and the union. The government is eager to get its program of price reforms started but is wary of moving hastily if there are any signs of discontent. The increase is, in the words of a union official, Solidarity's "first great compromise;" the union wants to show that it is arguing the people's case. [REDACTED]

The regime has hinted that the meat rationing norms, already reduced last month by 20 percent, may be lowered again in September. A substantial drop in meat procurement in August--as farmers have diverted more meat to private and black market channels--makes it likely that the government will have to lower the norm. [REDACTED]

The government also has revealed that domestic coal supplies for heating and industrial uses will be lower than last winter, even though exports will be below the level in 1980. [REDACTED]

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288
389